



# MarketModels

April 13, 2004

Ms. Katharina Schuster  
Lumen Intellectual Property Services, Inc.  
45 Cabot Avenue, Suite 110  
Santa Clara, CA 95051

Re: Office Action dated 4/7/04  
Title: Internet-Enabled Lead Generation  
Filing Date: 1/18/2000  
Appl. No. 09/484861  
Lumen Ref.: SFT-101/US

Dear Katharina:

I have reviewed the Office Action dated April 7, 2004.

In this letter, I will outline the Examiner's major points of misunderstanding. I will then make reference to specific comments on the arguments made by the Examiner in this Office Action.

- 1) Spidering/Data Mining. There is no teaching in either Johnson or Cannon for Internet spidering of highly distributed, semi-structured files. For example, on page 2 of the latest OA, the Examiner cites Johnson, Col. 11, lines 3-9 as demonstrating spidering capabilities. This is not true. The referenced section merely articulates that leads can be gathered from interactions with prospects at trade shows, kiosks, Internet web sites or electronic advertising. The data so gathered is already in a standardized format and contained within the system. There are none of the challenges of identifying leads outside the confines of this closed system, by identifying and mining semi-structured files on the Internet.

The Examiner also cites Cannon as an example of data mining. But Cannon only teaches mining data from a highly structured, machine-generated file (Nielsen data) in a closed system.

The Examiner also seems to focus on the mechanics of storing information, rather than the process of transforming semi-structured information to an actionable lead. For example, page 6 of the latest OA cites the process of writing information to a DB, and converting a base 10 number '5' to binary. But there is no teaching in Johnson or Cannon regarding how semi-structured data spidered from the Internet is normalized and transformed to an actionable intender lead complete with name/address/phone/e-mail/etc. There is also no teaching on how third party demographic/psychographic profiles are appended.

SFT-101 (Appendix A)

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Cannon's system is designed to help measure cause and effect for television advertising, across a statistically valid research sample. The goal is not to identify particular individuals/households as prospects for sales and marketing campaigns. Indeed, that is impossible. Cannon's system only makes use of the anonymous household data, and gender/age of any household members, supplied as part of the Nielsen file. For example, the Nielsen file used by Cannon does not allow Nielsen's system to identify the household by name, address or telephone number. The only thing that identifies a household is that "Nielsen assigns each of the sample households a globally unique number that is used to track the data for the household." (Col. 7, lines 8-16). But there is no means, or teaching of potential means, to identify the households from this ID or how to contact them.

- 2) Data Enhancement. There is no teaching in either reference regarding how third party data enhancement databases containing demographic/psychographic data linked to names/addresses is matched against the semi-structured records with partial contact information commonly found on the Internet.

The Examiner cites Johnson as

- 3) 'Electronic Advertising'. A number of the arguments advanced by the Examiner attempt to equate Johnson's use of 'Electronic Advertising' with the way it is used in the present invention. There are clear differences.

Johnson (Col. 4, lines 21-43) describes a system that uses a multitude of advertising and promotional techniques to "assist sales personnel in carrying out such tasks as telemarketing, kiosk presentations, trade show demonstrations, database marketing, electronic advertising, etc." The context makes it clear that Johnson envisions electronic advertising purchased by the marketer, to promote a product or service to the prospect. Examples of this type of electronic advertising include banner advertisements, opt-in e-mail lists, or search engine keyword buys. The prospect must proactively respond to the advertising and undergo further qualification to become an intender.

By contrast, the present invention attempts to identify and mine semi-structured classified advertisements placed by an individual wishing to *sell* an item (such as a vehicle). The present invention performs the additional steps (and supplies the teaching) of identifying and profiling the intenders. This is all done automatically, without the knowledge of, or interaction with, the prospect.

I will now present more detailed comments on the substance of the OA:

Claim 1

- 1) Claim 1 is rejected as unpatentable over Johnson et al.:
  - a) "Determining appropriate purchase indicators" Col. 16, lines 21-28 describes a proposal/presentation writer. It does not teach anything about purchase

indicators. Col. 16, lines 52-55, describes pre-defined and user-defined proposal templates, but again teaches nothing about purchase indicators.

- b) "Locating, based step a) one or more sources on the Internet" Col. 11, lines 3-9 describes sources for leads generated from interactions directly with the customer. One of these sources might be an interactive website owned by the marketer that interviews/qualifies the prospect. But it does not teach identifying and mining third party websites for purchase indicators without direct interaction with the prospect.
- c) "Obtaining said purchase indicators from one or more sources via an automated spider" Col. 11, lines 3-9 does *not* teach a spider, but rather simple data gathering in a closed system. See intro for additional comments.
- d) "Extracting prospect identifiers from said purchase indicators in step c) wherein said prospect identifiers identify prospects" Col. 17, lines 26-27 and Col. 18, lines 37-41 describe an 'Event Manager'. The Event Manager is essentially a rules-based system that identifies where a prospect/customer is in the sales funnel and directs the system to take appropriate action. It does not teach *how* the prospect identifiers are extracted for sources outside the system, such as semi-structured sources on the Internet.
- e) "Obtaining full contact information of each said prospects", Col. 18, lines 49-50 and Fig. 15A describes accessing a "customer information database" to get said contact information. But what if the prospect is acquired via a source outside the system and isn't in the customer information database? How is a limited, partial record (such as a telephone number without area code) converted into a lead with full name/address information? There simply isn't any teaching to support it in Johnson.
- f) Obtaining Data Enhancement Information. Col 16, lines 21-39 describes customizable presentation and proposal modules, not data enhancement. It customizes the proposal based on "information provided by the customer, canned information about the product or service offered, as well as other information which the salesperson imports into the system." (Col. 16, lines 33-36). Only that imported by the salesperson might constitute true data enhancement. But there is no teaching of how to import and append such data. Note Fig. 15A-C does not describe any demographic/psychographic attributes commonly appended during data enhancement such as a consumer's age, household income, marital status, and the presence, number, and ages of children. So one could argue Johnson does not envision performing data enhancement at all.

Cannon is not much help either, since the Nielsen files come a priori with limited demographic and psychographic behavioral data appended to the household/member IDs. There is no teaching on how to match third party

demographic/psychographic data (this data is tied to a name/address) against Cannon's Nielsen records which contain only a proprietary, anonymous ID but no names or addresses.

- g) "Applying a predictive module" Col. 21, lines 30-39 describes a sales forecasting module for sales force management. Not a direct marketing predictive model which selects prospects.
- h) "Selecting intenders from said prospects" Col. 21, lines 36-38, Col. 36 lines 29-30 describes the same sales forecasting system.

On page 4 of the OA, the Examiner discusses Johnson's teaching of a spider (Col. 11, 3-9) and Cannon's description of data mining (Col. 12, lines 55-58). There is also a description of data enhancement (Johnson, Col. 16, lines 21-39) and Cannon (Col. 14, lines 51-52, and Col. 14, lines 30-33). Please see the comments at the beginning of this letter, as well as d) through g) above.

Claim 10: The Examiner does not fully understand the process of mining semi-structured data sources from the Internet, and transforming it from limited contact information to a fully-formed lead with full contact information and profile. See comments at the beginning of this letter. Col. 3, lines 31-32 does not teach anything about how the lead generation system converts a name to a customer (or how intenders are identified). Col. 14, lines 55-58 and Col. 17, lines 19-30 cover basic storage not extraction and standardization of semi-structured information. Cannon's data sources are supplied files in a closed system, with a known, machine generated highly-structured format. The present invention teaches how to handle the problems encountered in identifying, extracting, and normalizing data from distributed files with semi-structured layouts.

Claims 11, 28: The Examiner misunderstands 'Electronic Advertising' and how it is used in Johnson and the present invention. See my comments at the beginning of this letter. More specifically, Col. 27, lines 3-8, Fig. 15A represent typical customer database tables containing purchase histories and preferences. There is no teaching as to how the data contained in classified advertising, resumes, auction board, life change announcements, postings to newsgroups or email lists would be extracted from the Internet or normalized so that it might populate a table in Johnson's system. For example, how would Johnson mine the relevant attributes from a posting to an e-mail discussion list, and tie it back to a record in his customer database? How would he process the content of that posting to assess buying intent, or what they want to buy? There is no teaching at all.

The Examiner's citation of Col. 20, lines 61-64 describes a different use of e-mail. The e-mail list under consideration are e-mail discussion lists where a prospective buyer asks for purchase recommendations from others on the list. Johnson uses e-mail to schedule meetings with prospects. Completely different.

Claims 12-14, 15, 16, 19-21: The Examiner misunderstands Johnson's use of electronic advertising, and how it is used in the present invention. The sections cited by the Examiner Col. 4, lines 21-27 and Col. 11, lines 8-10 use electronic advertising to stimulate response and interaction with potential buyers for a product or service (e.g. the marketer buys a banner ad to promote a product, the prospect clicks on it, and is taken to a website where the sales process begins). The present invention uses classified ads to identify *sellers* of these products, by mining the ads they initiated and placed. Completely different.

Claim 26: Col. 27, lines 57-61 cited by the Examiner teaches updating a record with a new address. But as Col. 27, lines 41-45 show, this is information that was obtained by the interaction of the salesperson with the customer. The salesperson entered the change in the system. There is no teaching for data enhancement using third party databases.

Claim 18: Col. 4, lines 52-67 from Goldhaber. Goldhaber's attention brokerage system requires a participant to actively participate in the process (agreeing to sell his attention). The present invention works with any auction system (such as eBay which matches buyers and sellers of both new and used merchandise but does not incorporate an attention brokerage component). The present invention does not require the cooperation of the participant to identify them as a good lead.

Claim 17: Lazarus describes a real-time web ad targeting system, based on a profile vector created by tracking the user's websurfing activity. This might include web pages viewed, ads clicked on, queries submitted to search engines and the like.

There are a number of distinctions with the present invention. First, there is no discussion of how postings to e-mail discussion lists might be incorporated in a real-time web advertising system. For example, suppose the person requesting a purchase recommendation on which car to buy posts it to the e-mail list using an e-mail client like Microsoft Outlook. Since the posting is not made at a website, there is no way to update a web profile vector, or show a web-based advertisement based upon that vector, using Lazarus. By contrast, the present invention could access an archive of the posting after the fact, and still identify an intender.

In addition, Lazarus works using an anonymous profiling system. There is no attempt (or teaching) to link this profile to the name/address/e-mail/telephone/demographics of the web surfer. As a result, there is no way to conduct an offline marketing campaign, such as a telemarketing call or direct mail piece, to the prospect.

Finally, Lazarus' system can only target prospects on sites where their ad server is deployed. As a practical matter, the ad server market is highly fragmented. This would prevent large parts of the potential market from being served. By contrast,

the present invention can effectively spider any e-mail discussion list that has a web-accessible archive. The inventors created one such archive, Reference.COM, that archived more than 150,000 publicly accessible mailing lists and newsgroups.

The Examiner doesn't understand that the present invention mines existing posts to e-mail discussion lists and newsgroups, rather than initiates them. See Page 9 of the OA, "It would have been obvious to one of ordinary skill in the art to post requests for purchase recommendations with the motivation of providing information about items being purchased thereby making it easier to determine potential leads."

In light of the above analysis of the Examiner's rejection, I feel strongly that the proposed invention meets the standards for patentability. I welcome your feedback, and suggestions on the best way to proceed.

Best,



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MarketModels, Inc.